

HOUSE FILE 2138
BY COMMITTEE ON VETERANS
AFFAIRS

(SUCCESSOR TO HSB 540)

A BILL FOR

1 An Act exempting from the computation of the state individual
2 income tax certain amounts received from the veterans trust
3 fund and including a retroactive applicability provision.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 422.7, Code Supplement 2009, is amended
2 by adding the following new subsection:

3 NEW SUBSECTION. 46A. Subtract, to the extent included,
4 amounts received from the veterans trust fund for any of the
5 following items:

6 a. Travel expenses pursuant to section 35A.13, subsection
7 7, paragraph "a".

8 b. Unemployment assistance pursuant to section 35A.13,
9 subsection 7, paragraph "c".

10 Sec. 2. RETROACTIVE APPLICABILITY. This Act applies
11 retroactively to January 1, 2010, for tax years beginning on
12 or after that date.

13 EXPLANATION

14 The veterans trust fund allows moneys appropriated to
15 the veterans affairs commission to be expended for, among
16 other things, providing travel expenses for wounded veterans
17 and their spouses, if the expenses are directly related to
18 follow-up medical care, and unemployment assistance during a
19 period of unemployment, if the unemployment is due to prolonged
20 physical or mental illness or disability resulting from
21 military service.

22 This bill exempts these benefits from the individual income
23 tax.

24 The bill applies retroactively to January 1, 2010, for tax
25 years beginning on or after that date.